FOREIGN CROPS AND MARKETS.

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Feature of Issue: WHEAT AND COTTON

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WHEAT AVAILABLE FOR EXPORT FROM THE UNITED STATES

Past experience indicates that from a wheat crop of 839 million bushels the United States may export about 200 million bushels. The actual exports will depend of course upon market conditions and to some extent upon prospects for the new crop toward the end of the season. It appears that exports may vary from a minimum of 175 million bushels, if an increase of stocks to bring them more nearly to normal is allowed for, to a maximum, allowing for no reduction of stocks and a possible saving from feed and domestic consumption, of 220 million bushels. These estimates are only preliminary and are subject to change with changes in the estimate of production. See pages 325 to 327 for further details.

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BRITISH APPLE MARKET

Very high prices were realized at the Liverpool apple auction of Wednesday, September 8, according to a cable from Mr. Edwin Smith, the Department's fruit specialist in Europe. Only light supplies of Gravensteins, Winter Bananas, Jonathans, York Imperials and Wealthys were available and the demand was brisk. Virginia King David brought as high as $10.46 a barrel and in the boxed varieties Oregon Gravensteins topped the market at $4.50. These high prices should not mislead growers as to prospective future values, however, since they are a result of the scarcity of good fruit in England rather than an indication of unusual demand, says Mr. Smith. The coal and cotton industries about Liverpool are in a very depressed state and ship building on the Clyde is 28 per cent below last year's level. The United Kingdom can absorb only limited quantities of apples at present prices in Mr. Smith's opinion.

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CURRENT MARKET CONDITIONS

Wool prices in Bradford, England are strong with crossbred yarn topping the market at about one pence above last week, according to cabled advices from Agricultural Commissioner Foley at London. Piece goods prices are advancing slightly but buyers are cautious and there is little new business.

Prices of hogs in Berlin on September 8 were unchanged from the previous week at $17.82 per 100 pounds but were almost $2.00 per 100 pounds less than this time last year. The price of lard at Hamburg on September 8 were $17.15 per 100 pounds, a slight decrease from the previous week but $3.30 less than a year ago. Bacon prices at Liverpool have weakened. American Wiltshires were quoted on September 8 at $22.57 per 100 lbs as compared with the last previous quotation of $23.81 on August 11. Canadian Wiltshires sold at $24.08 and Danish Wiltshires at $27.10 on September 8 which represented declines of $1.12 and $1.58 respectively from September 1.

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CROP PROSPECTS

CEREAL CROPS

NORTHERN HEMISPHERE WHEAT AND RYE CROPS: Wheat production forecasts and estimates for all countries (27) reporting to date amount to 2861 million bushels, an increase of 1.2 per cent over the total crop of those countries in 1925 when they produced 85 per cent of the total world crop exclusive of Russia and China and 95 per cent of the Northern Hemisphere total exclusive of Russia and China. The increase of the Canadian September estimate over the August forecast is the outstanding feature of the North American situation.

The total crop so far reported for Europe is now placed at 1,164 million bushels, a decrease of 9 per cent from the crop of the same countries last year. It is expected that the total European crop exclusive of Russia will be about 10 per cent below the 1925 crop, but above the average for the past four years. Early threshing results indicate a poor quality in Rumania. In France, Bulgaria, the Theiss region of Hungary, Denmark and Portugal qualities are said to be good. Heavy rains in Spain during harvest time are reported to have injured the quality. Although the European wheat crop is above the average this year, the rye crop is now expected to be little more than average and early indications point to a poor potato crop, all indicating a reasonably good demand for non European wheat. The Russian wheat and rye crops are now believed to be smaller than last year although the quality so far is reported to be good. Exports are expected to be no greater than from the 1925 crop.

The North African crop shows a decrease of 8 per cent compared with 1925 but is slightly above the average for the past four years. A trade report states that of the Algerian crop, the soft wheat is deficient, but there is a fair production of hard wheat. There is considerable variation in estimates for the 1926 wheat crop in Manchuria but according to latest reports an above average crop is expected in Northern Manchuria which is said to produce about three-fourths of the wheat crop of all Manchuria and which in normal years has a surplus. Reports for Southern Manchuria are less favorable and a poor crop is expected. For China proper, latest reports are favorable for Hupeh, Hunan and Honan. These provinces are all in the wheat zone and Honan, at least, is said to be a surplus producing region. Early reports of the rice crop in China, however, have been generally poor, and if they are borne out by the final results, there may be an additional demand for both wheat and rice to make up the deficit. Last year both the wheat and rice crops were small and it seems probable that stocks of grain in the country at the beginning of the present year were at a low level.

Conditions for seeding and for the newly sown crops have been generally favorable in India, Argentina and Australia. For the week ending September 6 the weather in Argentina was again dry and below normal but well above freezing, which should improve the wheat prospect. The long spell of warm damp weather preceding had begun to cause some uneasiness.

Rye production forecasts and estimates for 19 countries reporting to date total 799 million bushels compared with 926 million in those countries last year, a decrease of 14 per cent. The reduction is general throughout the Northern Hemisphere, Rumania and Greece being the only countries reporting increases.

C R O P   P R O S P E C T S,   C O N T ' D

Rye   production in 17 European countries reporting is 14 per cent below last year. The total European rye crop may be some 10 to 15 per cent below last year, but probably above the average for the past four years.

WHEAT: Production, average 1909-13, annual 1924 - 1926

Country	Average 1909-13	1924	1925	1926 a/	Per cent 1926 is of 1925
	Million bushels	Million bushels	Million bushels	Million bushels	Per cent
NORTH AMERICA					
United States	690.1	862.6	666.5	838.6	125.8
Canada	197.1	262.1	411.4	399.0	97.0
EUROPE					
England and Wales	55.8	50.9	50.8	53.4	105.1
Norway	.3	.5	.5	.6	120.0
Netherlands	5.0	4.7	5.7	4.8	84.2
Belgium	15.2	13.0	14.5	12.2	84.1
Luxemburg	.6	.3	.6	.6	100.0
France	325.6	281.2	330.8	b/ 280.0	84.6
Spain	130.4	121.8	162.6	157.3	96.7
Italy	184.4	170.1	240.8	205.3	85.3
Germany	131.3	89.2	118.2	112.2	94.9
Austria	12.8	8.5	10.7	9.8	91.6
Hungary	71.5	51.6	71.7	69.0	96.2
Greece	16.3	9.7	11.2	11.2	100.0
Bulgaria	37.8	28.3	49.6	42.1	84.9
Rumania	158.7	70.4	104.7	110.2	105.3
Czechoslovakia	37.9	32.2	39.3	35.7	90.8
Poland	63.7	32.5	57.9	54.2	93.6
Lithuania	3.3	3.3	5.3	4.3	81.1
Finland	.1	.8	.9	.7	77.8
Total above European countries	1,250.7	969.0	1,275.8	1,163.6	91.2
Estimated European total exclusive of Russia	1,348.0	1,058.3	1,398.9		
NORTH AFRICA					
Morocco	17.0	28.7	23.9	19.1	79.9
Algeria	35.2	17.2	32.7	29.8	91.1
Tunis	6.2	5.2	11.8	10.3	87.3
Egypt	33.7	34.2	36.2	37.2	102.8
Total North Africa	92.1	85.3	104.6	97.4	93.2
ASIA					
India	351.8	360.6	329.4	325.0	98.7
Japan	25.1	25.4	29.5	27.7	93.9
Chosen	6.9	10.3	10.5	10.5	100.0
Total countries reporting	2,613.8	2,575.3	2,827.7	2,860.8	101.2
Estimated world total excluding Russia and China	3,006.0	3,101.0	3,334.0		

a/ Preliminary forecasts and estimates. b/ Informal forecast of the French Ministry of Agriculture.

RYE: Production, average 1909-13, annual 1924 - 1926

Country	Average 1909-13	1924	1925	1926 Prel. forecasts and estimates	Per cent 1926 is of 1925
NORTH AMERICA	1,000,000 bushels	1,000,000 bushels	1,000,000 bushels	1,000,000 bushels	Per cent
United States	36.1	64.0	48.6	41.9	86.2
Canada	2.1	13.8	13.7	13.3	97.1
EUROPE					
Norway	1.0	.6	.6	.6	100.0
Netherlands	16.4	15.8	16.2	13.4	82.7
Belgium	23.6	20.7	21.7	19.8	91.2
Luxemburg	.7	.3	.4	.3	75.0
France	52.5	40.2	43.7	a/ 23.6	54.0
Spain	27.6	26.3	29.9	27.1	90.6
Italy	6.3	6.1	6.7	6.6	98.5
Germany	368.3	225.6	317.4	295.1	93.0
Austria	23.8	16.2	21.7	18.5	85.3
Hungary	31.4	22.1	32.5	30.4	93.5
Czechoslovakia	63.5	44.7	58.1	49.7	85.5
Greece	1.1	1.0	1.0	1.3	130.0
Bulgaria	7.5	4.4	8.9	7.6	85.4
Rumania	20.6	6.0	8.0	9.8	122.5
Poland	218.9	143.9	257.4	217.0	84.3
Lithuania	24.3	18.3	26.1	14.1	54.0
Finland	10.5	11.3	13.7	9.3	67.9
Total European countries reptg	898.0	603.5	864.0	744.2	86.1
Estimated European total ex. Russia	975.7	650.4	939.6		
Total all countries reporting	936.2	681.3	926.5	799.4	86.3
Estimated world total excluding Russia and China	1,033.0	742.0	1,019.0		

a/ Informal forecast of French Minister of Agriculture.

BARLEY

Barley production in 24 countries reporting is 1032 million bushels compared with 1104 million bushels in the same countries in 1925. Production in 17 European countries reporting to date totals 550 million bushels the same as the total crop for those countries last year, when they produced about 80 per cent of the European total. The European crop generally has been below the 1925 estimate for individual countries. An increase in the Rumanian crop from the unusually poor crop of last year to about normal is what has brought the total up to the 1925 figure. In Germany the crop is estimated to be about the same as last year. The North African crop is about a third less than last year.

CEREAL CROPS: Production, average 1909-13, annual 1924 - 1926

Crop and country	Average 1909-13	1924	1925	1926	Per cent 1926 is of 1925
	1,000,000 bushels	1,000,000 bushels	1,000,000 bushels	1,000,000 bushels	Per cent
BARLEY					
Total, 13 countries	378.7	316.8	392.2	369.0	94.1
United States	184.8	178.3	217.5	195.2	89.7
Canada	45.3	88.8	112.7	112.1	99.5
Norway	2.9	4.7	5.2	5.1	98.1
Luxemburg	.1	.2	.2	.2	100.0
Italy	10.6	8.7	12.9	11.5	89.1
Germany	133.8	110.2	119.4	120.3	100.8
Czechoslovakia	71.1	44.6	57.2	51.3	89.7
Poland	69.1	55.5	77.0	75.4	97.9
Lithuania	8.8	9.3	11.3	10.9	96.5
Finland	4.9	6.0	6.5	5.8	89.2
Japan	89.5	75.0	91.5	74.7	81.6
Total, 24 countries	999.6	898.1	1,103.6	1,031.5	93.5
Estimated world total excluding Russia and China	1,324.0	1,207.0	1,419.0		
OATS					
Total, 11 countries	284.0	249.5	290.8	316.0	108.7
United States	1,143.4	1,522.7	1,511.9	1,263.6	83.6
Canada	351.7	406.0	513.4	459.3	89.5
Netherlands	18.1	20.9	20.3	26.9	132.5
Belgium	44.0	44.2	42.5	55.7	131.1
Luxemburg	3.4	2.2	2.5	3.2	128.0
Italy	37.5	33.3	47.5	40.6	85.5
Germany	527.2	389.5	384.7	452.6	117.7
Czechoslovakia	96.1	83.0	89.9	90.1	100.2
Poland	195.8	166.2	228.1	220.5	96.7
Lithuania	22.9	18.6	19.6	26.3	134.2
Finland	20.4	33.9	40.4	32.3	80.0
Total, 22 countries	2,744.5	2,970.0	3,191.6	2,987.1	93.6
Estimated world total excluding Russia and China	3,555.0	3,683.0	3,974.0		
CORN					
Total, 3 countries	90.6	105.3	119.9	118.2	98.6
United States	2,712.4	2,312.7	2,905.1	2,697.9	92.9
Canada	17.3	12.0	10.6	9.2	86.8
Czechoslovakia	8.4	10.2	12.0	10.8	90.0
Total, 6 countries	2,828.7	2,440.2	3,047.6	2,836.1	93.1
Estimated world total excluding Russia and China	4,045.0	3,721.0			

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SUGAR

Dr. Gustav Mikusch of Vienna forecasts the 1926-27 European beet sugar crop at 8,029,000 short tons raw sugar or 4 per cent below his final figure of 8,346,000 short tons for the season just ended. The forecast is based on crop condition as of August 18. Dr. Mikusch states that it is unusually difficult to form an accurate idea of the probable outcome of the crop this year as the beets have been in a backward state in most countries but are now making rapid progress. The final result will depend upon future weather conditions to a greater extent than has been the case in some previous years.

Forecasts for the most important sugar producing countries reported by Dr. Mikusch are as follows, final estimate and forecast for 1925-26 are given for comparison:

Country	1925-26 Forecast August 25, 1925	1925-26 Final Est. August 18, 1926	1926-27 forecast August 18, 1926	Per cent 1926-27 is of 1925-26 final
	Short tons	Short tons	Short tons	Per cent
Germany	1,791,000	1,775,000	1,736,000	97.8
Czechoslovakia	1,631,000	1,653,000	1,323,000	80.0
France	882,000	832,000	794,000	95.4
Belgium	386,000	369,000	276,000	74.8
Netherlands	331,000	330,000	303,000	91.8
Poland	584,000	638,000	639,000	100.2
Russia	1,020,000	1,295,000	1,378,000	106.4
Other European countries	1,526,500	1,454,000	1,580,000	108.7
Total Europe	8,151,500	8,346,000	8,029,000	96.2

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COTTON

The condition of the Egyptian cotton crop reported September 1 was 98 per cent of the average for the past ten years, according to a cablegram from the International Institute of Agriculture. The condition reported August 1 was 101, and September 1, 1925, 99.

In India for the week ended September 4 general rain was reported, according to information received by the United States Weather Bureau. A break in the rain was needed in Bombay and the Central Provinces. No change occurred in the United Provinces while light to heavy rains occured in Bihar and Orissa.

CROP PROSPECTS, CONT'D

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COTTON, CONT'D

Reports from the Shasi area in China indicate a good crop, according to Vice Consul Chapin at Hankow. The Shasi area extends about 100 miles up the Yangtze and swings around to Tsingshih and the district north of the Tung Ting Lake. The crop was expected to be picked by August 1. In northern Hupeh and southern Honan the outlook for the cotton crop was very discouraging.

In Brazil during the second ten days of July rainfall was plentiful in the southern States but not heavy in the center, according to Vice Consul Dawson at Rio de Janeiro. Incomplete information from the North points to a good harvest.

Reports from all parts of Persia as to the crops have been favorable. states Vice Consul Nielsen at Teheran reporting for the quarter ending June 30. It is reported that in the northern provinces Soviet representatives are encouraging cotton growing.

COTTON: Acreage, average 1909-13, annual 1924-1926

Country	Average 1909-13	1924	1925	1926	Per cent 1926 is of 1925
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Per cent
Area previously reporting and unchanged		14,365	18,423	17,198	93.4
United States, area harvested	34,152	41,360	45,945	a/47,207	102.7
Total above regions..........		55,725	64,368	64,405	100.0
Estimated world total excluding China	62,500	76,000			

a/ Estimate of area sown excluding preliminary estimate of abandonment.

COTTON: Production, average 1909-13, annual 1924-1926
(Bales of 478 pounds net)

Country	Average 1909-13	1924	1925	1926	Per cent 1926 is of 1925
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	Per cent
Production previously reporting and unchanged a/	954	456	810	736	90.9
United States	13,033	13,628	16,104	15,166	94.2
Ecuador	00	b/ 11	b/ 6	b/ 6	100.0
Total above regions..........	13,987	14,095	16,920	15,908	94.0
Estimated world total........	20,859	24,800	27,900		

a/ Russia and Bulgaria.
b/ From an unofficial source.

LIVESTOCK, MEAT AND WOOL

HOG SLAUGHTERING: The number of hogs slaughtered in export slaughter houses of Denmark for the first six months of 1926 was 1,797,000 compared with 1,971,000 last year for the same date or a decrease of 9 per cent. The slaughterings for this period were 11 per cent below the same period of 1924 the record year although 46 per cent greater than the average for the first six months of the years 1911-14.

These figures for Denmark now enable us to compare slaughterings for the first six months of the year in the United States, Germany and Denmark. In both Denmark and the United States slaughterings reported are less than for the same period of 1925, Denmark 9 per cent less and the United States 11 per cent below. German slaughtering at 36 slaughter points for this period shows an increase of 2 per cent. In Ireland the total number of pigs purchased for curing in Ireland and exported alive is 585,000 compared with 572,000 for thirty three weeks from the beginning of the year to August 19 an increase of 2 per cent. The number is, however, 26 per cent below the 789,000 cured and exported for the same period of 1924. Detailed figures are given on pages 345 and 346.

CATTLE CONDITION IN URUGUAY: Conditions so far this season have not been favorable to the cattle interest states Consul U. Grant Smith from Montevideo and it is feared that there will be less well conditioned stock available during the coming spring season (September, October, November) than there were last year. Cold nights and excessively rainy weather during May and June are said to have sent the cattle into the winter in rather poor condition in most of the country. In July frigorificos could find barely enough acceptable cattle to keep them operating on a reduced schedule. Cattle offered were of inferior quality practically none being good enough for chilling. Slaughtering in packing plants for the first six months of 1926 numbered 521,000 compared with 462,000 in 1925 or an increase of 13 per cent.

SEVEN MONTHS SLAUGHTER IN GERMANY SLIGHTLY LARGER THAN IN 1925: Slaughtering of animals in Germany at the 36 most important slaughter points amounted to 3,590,000 for the first seven months of 1926, an increase of 0.3 per cent over the same period of 1925. The number of cattle, calves and sheep killed was less than in the same period of 1921 while hog slaughterings increased 3 per cent. Detailed figures will be found on page 346.

BELGIAN LIVESTOCK CONDITIONS: Belgian stock is threatened with dangerous diminution from the movement out of the country writes Consul W. C. Burdett from Brussels. The cattle market this summer has been marked by extraordinary activity induced by the falling Belgian exchange and the fact that foreign buyers from Germany and Holland have taken advantage of exchange conditions to throng the local markets and offer prices in excess of those possible to Belgians. Prices are being raised to a point where they are a hardship to local consumers. Belgian butchers have become extremely indignant over the methods employed by foreign buyers and it is not doubted that severe measures will be taken to put an end to this situation. Milk cows are in great demand and there are extremely heavy transactions

L I V E S T O C K, M E A T A N D W O O L, C O N T ' D

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in calves, while hogs are also much sought.

LOWER FREIGHT RATE ON MEAT AND OTHER PRODUCE FROM AUSTRALIA AND NEW ZEALAND: Reduced freights for produce shipped from Australia to the United Kingdom became operative in July, according to Cold Storage and Produce Review August 19, 1926. Rates on meat, cheese, wool, sheep, skins, fur skins and hides are reduced by 1/4 cents per pound, making the rate for beef 1-1/2 cents per pound instead of 1-3/4 cents; mutton 2 cents instead of 2-1/4 cents per pound, while the lamb rate is reduced from 2-3/4 cents to 2-1/2 cents per pound. The cost of refrigeration over a voyage of 12,000 miles is included in these charges. The New Zealand Meat Producers Board has also arranged for a reduction of meat freights from the Dominion by 7-1/2 per cent this arrangement to be in force until August 31, 1929. For the year September 1, 1929 to August 31, 1930 the rates are reduced by a further 5 per cent making 12-1/2 per cent in all. Dairy produce freights are similarly reduced.

AUSTRALIAN AND NEW ZEALAND 1925 WOOL CLIP: Dalgety and Company estimate the 1925 wool clip in Australia at 744,272,000 pounds an increase of 8 per cent over 1924. The forecast for 1926, using the average monthly weight per bale received in Sydney in 1925, i. e. 314 pounds, is 704,000,000 pounds, a decrease of 6 per cent compared with 1925. The estimate for the 1925 clip in New Zealand is 200,381,000 pounds compared with 208,269,000 a decrease of 4 per cent. No estimate is yet available for the 1926 clip. Stocks on hand in New Zealand on June 30, 1926 are estimated at only 3,700,000 pounds compared with 9,377,000 pounds on June 30, 1925 while stocks in Australia on June 30, 1926 were only 10,362,000 pounds compared with 165,449,000 pounds on June 30, 1925.

FOREIGN BUTTER PRICES STILL FAIL TO ADVANCE

With the exception of a half-cent rise on Danish in Copenhagen and London, butter prices in the principal European markets continued as late as September 9 to reflect the depression that has characterized most of this season. The Copenhagen official quotation at the equivalent of 35.65 cents is still below New York by about 7 cents and fully 9 cents below the quotation of a year ago. In London, Danish is 10 cents lower than a year ago. The difference is almost as great on Colonial butters, and even on the cheaper grades including Argentine and Siberian. Quotations on Siberian average as low as 29.3 cents against 38 a year ago. The Berlin quotation remains unchanged from the preceding week at the equivalent of 36 cents. The relatively good German demand is at present a factor of strength in the situation, which on account of the strike in Great Britain is not encouraging to suppliers of the foreign markets in which prices at this season should be showing considerable advance. A detailed statement of quotations in the important foreign markets together with New York quotations for comparison appears on page 347.

FRUIT, VEGETABLES AND NUTS

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POTATOES

The condition of the potato crop in Canada has been generally favorable although Quebec, the most important producing province, has suffered somewhat from drought. Potato prospects in Europe continue poor in most countries. The principal exceptions are Northern Ireland, where a good average main crop is expected, although there was a light crop of early potatoes, and Belgium where conditions had improved according to recent unofficial reports.

POTATOES: Acreage and production, average 1909-13, annual 1924-1926

Country	Average 1909-13	1924	1925	1926	Per cent 1926 is of 1925
AREA	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Per cent
Countries previously reporting and unchanged a/	12,470	11,633	11,463	11,507	100.4
Belgium, new	404	392	396	396	100.0
Total all countries reporting	12,874	12,025	11,859	11,903	100.4
Estimated world total excluding Russia......	38,000	41,000	41,900		
PRODUCTION	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Per cent
5 countries previously reporting and unchanged: a/	190,015	202,362	187,900	180,954	96.3
United States revised...	357,639	425,283	325,902	351,558	108.0
Norway, " ...	24,780	21,517	34,500	32,959	95.5
Netherlands " ...	104,051	98,716	115,975	109,127	94.1
Hungary " ...	71,118	56,407	84,859	75,544	89.4
Finland " ...	18,443	23,301	26,570	21,814	82.1
Total all countries reporting	766,106	827,586	775,706	771,956	99.5
Estimated world total excluding Russia.....	4,704,000	4,842,000	5,330,000		

a/ See Foreign Crops and Markets, August 23, page 225.

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FRUIT

PORTO RICAN GRAPEFRUIT: Reports from Porto Rico indicate a grapefruit production in that island during the present season of between 650,000 and 750,000 boxes. In a report received August 17 the representative of the Department of Agriculture in Porto Rico stated that, on account of the hurricane of July 23, the previous estimate of 720,000 made by fruit growers would have to be reduced by 7 to 12 per cent. Damage to trees was reported as negligible. A later report from Trade Commissioner Macgowan at San Juan stated that indications pointed to a crop of 750,000 boxes during the present season as compared with about 1,000,000 boxes in 1925-26. The reduction as compared with last year was attributed not only to the hurricane but also to the dry weather early in the summer.

WHEAT AVAILABLE FOR EXPORT FROM THE UNITED STATES

Past experience indicates that from a wheat crop of 839 million bushels the United States may export about 200 million bushels. The actual exports of course will depend upon market conditions and to some extent upon the prospects for the new crop towards the end of the season. From an estimated production of 862 million bushels in 1924, the United States exported nearly 255 million bushels. This was accomplished in part by a reduction in stocks from 106 million bushels at the beginning of the year to 84 million bushels at the end of the year. From an estimated production of 867 million bushels in 1922 exports amounted to only 205 million bushels but stocks were increased at the same time from 81 million bushels at the beginning of the year to 102 million bushels at the end of the year. The utilization in the United States may be about as follows: seed, 85 million bushels; feed, 50 million bushels; commercial mill grindings, 560 million bushels, making a total of about 695 million bushels leaving about 144 million bushels of grain for export and addition to stock. Since stocks were unusually low at the beginning of the year and unless conditions toward the end of the year greatly encourage exports some increase in stocks is likely to be made.

Exports of flour in terms of wheat in the past five years have varied from 45 million bushels, the low figure last year to 81 million bushels in 1924. Import wheat offset the flour export last year to the extent of 15 million bushels leaving only 30 million bushels to be made up from domestic flour. With a larger crop and domestic wheat prices on an export basis, flour exports should amount to the equivalent of 60 to 80 million bushels of wheat. Adding the minimum figure to the wheat available for exports and addition to stocks makes a total of 204 million bushels without any addition to stocks. Should stocks be increased by 30 million bushels which would make them more nearly normal, exports would be reduced accordingly to about 175 million bushels. It appears, therefore, that exports may vary considerably and we may place the minimum at 175 million bushels with a maximum, allowing for no reduction in stocks and a possible saving from feed and domestic consumption, at 220 million bushels. These estimates are only preliminary and are subject to change with changes in the estimates of production. The accuracy of the estimates, of course, depends not only upon the accuracy of previous estimates and distribution but also upon the accuracy of the estimates of production.

The exports of wheat will consist mainly of hard winter and durum. Insofar as it is possible to estimate the production of several classes of wheat for this year, it appears that there will be a large volume of hard winter wheat available for export, a considerable proportion of the durum but only a relatively small amount of hard spring and soft red winter. About the usual amount of white wheat may be expected for export from the Pacific coast.

The Supply and Distribution of Wheat in the United States, July 1, 1925 to June 30, 1926

Supply		
Domestic supplies		
Estimated production		666
Stocks on farms, July 1, 1925	29	
Stocks in country mills and elevators	25	
Bradstreet's commercial visible	29	
Held by mills and in transit to mills 1/	31	114
Foreign supplies		
Imports duty paid	2	
Imports bonded	13	15
Total supply		795
Distribution		
Utilized		
Seed requirements	83	
Exports of wheat	63	
Commercial mill consumption 2/	541	
Custom and small mill " 3/	10	
Feed 4/	33	
Total utilization		730
Carryover		
Stocks on farm, June 30, 1926	21	
Stocks in country mills and elevators	23	
Bradstreet's commercial visible	16	
Held by mills and in transit to mills	35	95
Total accounted for		825

1/ Stocks as reported by the Census raised to 100 per cent.
2/ Monthly grindings as reported by the Census raised to 100 per cent.
3/ A minimum estimate of output of small commercial mills and custom mills.
4/ Estimated at 5 per cent of the crop. For 1923 farmers reported usually fed about 86 per cent of the crop. Last year corn and oats were very cheap which probably reduced the percentage of wheat fed.

The Supply and Distribution of Flour in Terms of Wheat 1/ July 1, 1925- June 30, 1926

Supply:		
Mill stocks July 1, 1925	18	
Mill grindings	551	
Imports	--	
Total supply		569
Distribution:		
Shipments to non contiguous territory 2/	3	
Exports - foreign	45	
Mill stocks June 30, 1926	15	
Total distribution		63
Domestic disappearance		506

1/ Wheat flour converted into wheat by assuming 4.7 bushels of wheat - 1 barrel of flour.
2/ To Hawaii, Porto Rico and Alaska.

WHEAT, INCLUDING FLOUR: U.S. production, domestic exports, net exports and carryover, 1918-1926

Year	Production	Year beginning July 1				
		Domestic exports				
		Wheat	Wheat flour	Wheat including flour	Net exports a/	Carryover July 1
	1,000 Bushels	1,000 Bushels	1,000 Bushels	1,000 Bushels	1,000 Bushels	1,000 Bushels
1918	921,438	178,583	111,237	289,820	273,527	49,806
1919	967,979	122,431	101,764	224,195	218,668	110,254
1920	833,027	293,267	76,046	369,313	311,631	93,840
1921	814,905	208,321	74,245	282,566	265,191	81,457
1922	867,598	154,951	69,949	224,900	204,869	102,414
1923	797,394	78,793	81,087	159,880	131,802	106,203
1924	862,627	195,490	65,312	260,802	254,601	84,277
1925	666,000	63,189	44,846	108,035	92,371	60,000
1926	839,000					

Compiled from statistics furnished by the Division of Crops and Livestock Estimates and Monthly Summary of Foreign Commerce of the United States, June issues.

a/ Domestic exports minus imports.

UNITED STATES WHEAT, ESTIMATED PRODUCTION AND EXPORTS, BY CLASSES

The estimated production and exports of wheat by classes are shown in the following table. The production estimates are based on reports received by the Bureaus of Crop and Livestock Estimate and Plant Industry. The figures for 1925 and 1926 are based on the 1924 percentages. The 1926 production figure is based on the September 10 estimate. Although there has been a change in the percentages of each class as shown in the table on page 329 the change is not sufficient to make our estimates materially less accurate.

UNITED STATES WHEAT: Estimated production and exports by classes (Million (bushels)

Year	Total		Hard Red Spring		Durum		Hard Red Winter		Soft Red Winter		White	
	Prod	Exp	Prod	Exp	Prod	Exp	Prod	Exp	Prod	Exp	Prod	Exp
1922	868	155	170	17	91	42	280	59	248	23	79	14
1923	797	79	126	3	55	17	242	26	272	13	102	20
1924	863	195	203	37	71	31	313	108	221	8	55	12
1925	666	63	152	10	69	21	186	11	188	3	71	18
1926	839		139		53		336		230		81	

This year there is a notable change in the production of the various classes. The hard red spring crop of only 139 million bushels is only slightly larger than the short crop of 1923. The durum crop is the smallest for the past five years and the fact is already being reflected in relatively higher prices. Soft red winter and white wheat show about an average crop. The increase of approximately 150 million bushels of hard red winter wheat is the outstanding change of the year. This wheat in the past has been our principal export variety but with the small crop last year there was only 11 million bushels exported. The bulk of our exports this year will consist of this class of wheat. Last year durum led with 21 million and white wheat was second in importance with 18. This year's exports of these two classes should run about the same as last year. Exports of hard red spring and soft red winter wheat combined may not be more than 20 million bushels.

The 1924 percentage figures by classes as compiled by the Bureaus of Plant Industry and Crop Estimate show some significant changes from the 1923 estimates. Hard red winter wheat shows a marked increase not only in the hard winter belt but also in the soft wheat area. The state of Texas shows the greatest change having reversed its position due to heavy sowings of Kanred. In 1923 the percentages stood at 44 for hard and 53 for soft red winter. In 1924 the percentages read 73 for hard and only 23 for soft red winter. The following table shows the changes in the leading states grouped according to ranking in the different classes. The spring wheat states increased their area in hard red spring wheat at the expense of durum. Both the hard and soft winter wheat states increased their percentages of hard red winter. The Pacific Coast states concentrated their efforts more on white wheat.

UNITED STATES: Changes in wheat acreage by classes

State	Hard Red Spring 1923	Hard Red Spring 1924	Durum 1923	Durum 1924
N. Dakota	40	53	56	43
S. Dakota	53	67	47	33
Minnesota	80	86	12	8
	Hard Red Winter		Soft Red Winter	
Kansas	85	93	15	7
Nebraska	89	93	1	2
Oklahoma	77	86	23	14
Missouri	10	10	90	90
Indiana	7	14	92	86
Illinois	47	51	50	48
	Hard Red Winter		White	
Washington	19	24	59	58
California	2	1	94	99
Oregon	31	27	57	65

WHEAT, INCLUDING FOUR: Net exports from surplus producing countries 1924-25 and 1925-26, with estimates for 1926-27

Country	Year ending June 30: 1925	1926	Estimates for 1927: Minimum	Maximum
NORTHERN HEMISPHERE:	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
United States	254,601	92,371	175,000	220,000
Canada	194,198	319,040	270,000	300,000
Russia	a/	21,496		
British India	44,606	6,509	b/	b/
Rumania	4,827	c/ 5,693	10,000	16,000
Bulgaria	d/ 533	d/ 2,239	0	5,000
Hungary	e/ 15,064	c/ 18,173	15,000	20,000
Yugoslavia	e/ 9,521	c/e/10,730		
Algeria	a/	5,110	) 5,000	10,000
Tunis	a/	c/ 2,468	)	
Morocco	d/ 1,314	f/		
Total Northern Hemisphere	524,131	483,829		
SOUTHERN HEMISPHERE:				
Argentina	127,029	98,236		
Australia	123,584	78,976		
Chile	d/	c/ 1,573		
Total Southern Hemisphere	258,897	178,785		
GRAND TOTAL, NORTHERN AND SOUTHERN HEMISPHERE	783,028	662,614		

Compiled from official source.
a/ Net import. b/ India according to estimated production has no exportable surplus from the crop harvested this spring. She has exported already about 3 million bushels and will probably export but little if any more this year, at least not until the new harvest which will be in May. c/ Eleven months. d/ Year ending December 31, total Northern and Southern Hemisphere. e/ Gross exports. f/ Not yet available.

LATEST GRAIN ESTIMATES

CANADIAN GRAIN ESTIMATES AND POTATO FORECAST: The September 1 estimate of the Canadian wheat crop is 399,008,000 bushels, according to the September 10 report of the Agricultural Board of the Canadian Bureau of Statistics. The revised estimate of spring wheat is 380,430,000 bushels as compared with the August forecast of 300,838,000 bushels. The revised estimate of fall wheat is 18,578,000 bushels compared with 16,122,000 bushels in the August forecast. Barley, oats and flax forecasts have also been increased some. The rye forecast remains almost unchanged and the potato forecast was slightly reduced. The Canadian hay crop is one of the smallest on record, but pastures are good; turnips are below average. In Ontario they are badly affected by aphis.

The report states that rains in the Prairie Provinces during August greatly improved grain and other crops, wheat in Manitoba and Alberta especially turning out well. Not much threshing is done in Saskatchewan but the outlook is improved since the August report. Harvesting operations were delayed by bad weather and by some shortage of labor. The labor shortage is being partly met by help from towns. In eastern Canada the condition of grain crops is fairly favorable although the harvest is late. Oats in Ontario are badly rusted.

GERMAN GRAIN PRODUCTION: The German wheat harvest is placed at 112,177,000 bushels, according to the first official estimate as cabled to the United States Department of Agriculture by the International Institute of Agriculture. This is a decrease of 6,000,000 bushels or 5 per cent from the 1925 estimate. Rye production is reported at 295,101,000 bushels, a decrease of 22,000,000 or 7 per cent from the 1925 crop. The barley crop is about the same as last year while oats show an increase.

NORWAY'S GRAIN CROP: The third report of grain production in Norway has been received from the International Institute of Agriculture. All grains show slight increases over the estimate of August, but a slight decrease for potatoes. The September forecast for wheat is 588,000 bushels compared with 566,000 for the August forecast and the final estimate of 490,000 last year. The rye forecast is 591,000 bushels compared with 579,000 in August and the final estimate of 614,000 last year. A slightly larger barley crop than last year is looked for while the oats crop promises to be over 1 million bushels larger than last year. The potato crop is forecast at 32,297,000 bushels, which compares with the second forecast this year of 32,959,000 and the final estimate of 34,500,000 last year.

GRAIN PRODUCTION OF FINLAND: Wheat and barley estimates are slightly larger than the record or August forecast for Finland, according to a third report from the International Institute of Agriculture, while rye and potatoes are lower. Oats remain unchanged. The latest estimate forecast a crop of 661,000 bushels of wheat compared with the final estimate of 927,000 bushels last year. Rye is forecast at 9,133,000 bushels compared with 13,684,000 last year, barley at 6,063,000 compared with 6,467,000, oats at 32,311,000 compared with 40,411,000, and potatoes at 21,385,000 compared with 26,570,000.

JAPANESE FLOUR IN MANCHURIA

Before 1925 Japanese wheat flour was not a factor in the Manchurian flour trade, which has been dominated by America (both Canada and the United States) and China. Last year, however, 338,000 barrels of wheat flour were exported from Japan to Dairen alone, according to a report from the office of the American Trade Commissioner at Tokyo. Annual consumption of flour in Manchuria is put at 2,522,000 barrels, most of which, until recent years, has been supplied domestically. Although flour consumption is said to be increasing in Manchuria and is ahead of other parts of China, wheat areas are being abandoned in favor of the more lucrative soya bean. This situation, together with poor crops, closed at least 40 Manchurian flour mills in 1925, according to the Trade Commissioner's report, and may be expected to stimulate Japanese efforts to market flour in Manchuria.

MANCHURIA: Imports of flour, a/ through Dairen, 1924 and 1925

Country from which imported	Year ending December 31	
	1924	1925
	Barrels	Barrels
United States and Canada.....	1,001,000	580,000
China	839,000	561,000
Japan	50,000	338,000
Total	1,890,000	1,479,000

Compiled from Commerce Report "Flour Trade in Japan and Prices in Dairen", May 22, 1926 (Special Report #11). a/ Sacks reduced to barrels on the basis that 1 sack weighs approximately 49.4 pounds.

Reports are current to the effect that flour milling in Japan has expanded far beyond domestic consuming capacity, and that the search for wider markets will bring the Japanese product into increasing competition with American flour. From an estimated producing capacity of 1,300 barrels daily in 1905, mill capacity had risen to 36,300 barrels in 1925, with the most marked increase occurring since 1921. Estimated Japanese consumption, however, rose from 3,906,620 barrels in 1905 to 8,465,520 barrles last year. The output capacity in 1925 was 30 times that of 1905, while consumption only doubled. Assuming actual production as being 80 per cent of capacity, 10,535,272 barrels of flour are made available annually, which is about 3,024,580 barrels in excess of present consumption in Japan. Import duties on wheat entering Japan have been raised from 77 sen to yen 1.50 per 100 kins (16.5 to 32.8 cents per bu.) Flour prices have increased as a result by 70 cents per barrel. A reduction in domestic consumption is expected, which is estimated to affect some 1,512,340 barrels of flour. Total supplies seeking an export market, therefore, are expected to reach over 4,000,000 barrels.

JAPANESE FLOUR IN MANCHURIA, CONT'D.

The most important problems Japanese flour exporters must meet to secure their position in Manchuria are given as: (1) Securing the lowest price possible on wheat imported into Japan for grinding; (2) securing good prices for bran, and (3) reducing transportation costs. Wheat requirements are put at 50,000,000 bushels annually to meet both domestic and export demands, of which about 25,000,000 bushels must be imported from Canada, United States and Australia. Most of the imported wheat is contracted for two to six months future delivery, with no provision for hedging.

Bran prices in Japan are reported as now being high enough to meet all milling expenses. That favorable situation is of comparatively recent development. In the matter of freight, American and Canadian millers still hold a good advantage, paying $4.00 per ton to Dairen against about $5.00 per ton on Japanese flour which was shipped to Japan as wheat, milled, and reshipped as flour. Several large Japanese milling companies have cut transport charges somewhat by moving their plants to seaboard.

JAPAN: Exports of flour a/, 1923-1925, and by countries for 1925

Year and country	Quantity
	1,000 barrels
1923	118
1924	128
1925 -	
Dairen	348
Europe	101
East Indies	50
Other countries b/	282
Total	781

Compiled from Monthly Return of The Foreign Trade of the Empire of Japan, December 1925, and Commerce Report, "Porspect of Japanese Flour Trade", Japan, May 26, 1926, (Special Report #12). a/ 1 bag of flour equals approximately 49.4 pounds. b/ Includes Tsingtao, Tientsin, Yingkow and Antung.

Japan's new tariff law, which became effective March 29, 1926, is expected to benefit the millers so that they can export flour at a profit. Under this law the duty on wheat is raised from 16.8 cents to 32.8 cents per bushel, and a drawback to the full amount of the duty on flour milled from imported wheat is allowed.

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WHEAT, INCLUDING FLOUR: Exports to China and Japan from the United States, Canada and Australia, 1920-1926

Year ending June 30	Exported from			
	United States	Canada	Australia	Total United States, Canada and Australia
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
TO CHINA, INCLUDING KWANTUNG AND HONGKONG -				
1920....	830	0	1,676	2,506
1921....	719	94	17	830
1922....	9,303	372	459	10,134
1923....	13,747	2,888	339	16,974
1924....	32,972	11,950	5,638	50,560
1925....	3,297	1,717	618	5,632
1926....	5,308	a/ 13,477	b/ 714	19,499
TO JAPAN, INCLUDING CHOSEN -				
1920....	513	2	7,524	8,039
1921....	1,295	c/	29	1,324
1922....	14,124	3,617	7,799	25,540
1923....	6,528	3,795	3,788	14,111
1924....	11,118	7,258	13,776	32,152
1925....	4,360	3,516	7,026	14,902
1926....	5,279	a/ 13,191	b/ 10,427	28,897
TO CHINA AND JAPAN -				
1920....	1,343	2	9,200	10,545
1921....	2,014	94	46	2,154
1922....	23,427	3,989	8,258	35,674
1923....	20,275	6,684	4,027	30,986
1924....	44,090	19,208	19,414	82,712
1925....	7,657	5,233	7,644	20,534
1926....	10,587	a/ 26,668	b/ 11,141	a/ 48,396

Compiled from - U.S.: Official records of the Bureau of Foreign and Domestic
Canada: Monthly Report of the Trade of Canada, (Commerce,
Australia: Quarterly Summary of Australian Statistics.

a/ Eleven months.
b/ Nine months.
c/ Less than 500 bushels.

THE WORLD COTTON SITUATION

The past season was characterized by falling prices for cotton, small margins for the manufacturers, and a generally dull market for cotton goods throughout the world. The average commercial value per bale of lint cotton was $101 against $124 for 1924-25, $159 for 1923-24, and $128 for 1922-23, according to Secretary Hester of the New Orleans Cotton Exchange. Prices received by producers at local markets the middle of August averaged about 16 cents, or 31 per cent less than a year ago, although spot prices of middling cotton at central markets did not show as much decrease.

The outlook for the world's cotton crops is of course, uncertain at this date. Only two important countries, Russia and the United States, have made estimates of production. So far the crops in Egypt and India have made good progress and condition reports have been favorable. The forecast of production in Russia is 733,000 bales of 478 pounds, compared with a revised estimate of 807,500 bales for 1925-26. Acreage in Egypt is placed at about 10 per cent less for Sakel with other acreage about the same as last year. The first estimate of acreage planted in India which is usually a little more than half the final total acreage, showed a decrease from the first estimate for the previous season. For the past 13 years a decrease in the first estimates have been generally followed by a decrease in the final estimate. A reduction of acreage from last year in the new regions of Africa and in South American is possible because of the low price of cotton.

The immediate outlook is for a normal business in the domestic textile industry and some improvement in Europe. Consumption in the United States was maintained at a high level last season, being 6,451,000 bales compared with 6,193,000 bales in 1924-25. A seasonal improvement in demand for raw cotton in Germany is expected. In Austria and Czechoslovakia conditions are not very favorable but some seasonal improvement is in prospect. In England spinners have entered an agreement to sell yarn at minimum basic prices in an effort to improve their position. A good volume of buying in France and Italy has been reported in anticipation of a favorable season.

Figures recently issued by the International Cotton Federation show that world's mill consumption of all growths for the past season reached the very high record of 24,681,000 bales, or 6 per cent greater than consumption for the previous season which was unusually large. World's mill stocks on July 31 were 200,000 bales, or about 5 per cent greater than on July 31, 1925. See page 335. The world's visible supply of all cotton, however, as reported by the "Commercial and Financial Chronicle" was 3,686,000 bales at the end of the 1925-26 season as compared with 2,343,000 bales at the beginning, and the visible supply of American cotton was over twice as large at the end of last season. A factor which partly offsets the large carryover figures is the relatively small proportion of the better grades in stocks left from last year.

COTTON: World's mill consumption and stocks

(In thousands of running bales)

Date	Consumption				
	American	Indian	Egypt	Sundries	Total
Year ending, July 31, 1925	13,256	5,521	970	[illegible]	[illegible]
" " July 31, 1926	13,730	5,572	921	[illegible]	[illegible]
Half year ending, July 31, 1925 ..	7,049	2,789	470	1,318	[illegible]
" " " January 31, 1926	6,974	2,785	444	2,135	[illegible]
" " " July 31, 1926 ..	6,756	2,787	477	2,323	[illegible]
	Stocks				
July 31, 1925	1,833	1,599	181	654	[illegible]
July 31, 1926	1,969	1,589	201	709	[illegible]

Based on Spinners' returns made to the International Cotton Federation.

SUPPLY AND DISTRIBUTION OF COTTON IN THE UNITED STATES, 1924-25 and 1925-26
(Running bales)

	1924-25		1925-26	
SUPPLY -				
On hand August 1 (beginning of season)		1,555,514		[illegible]
In consuming establishments	721,589		865,342	
In public storage & at compresses	673,925		514,006	
Elsewhere (partially estimated) 1/	160,000		230,000	
Net imports		303,443		314,[illegible]
Ginnings during 12 months		13,779,237		16,[illegible]
Aggregate supply		15,638,244		17,[illegible]
DISTRIBUTION -				
Net exports		7,998,725		[illegible]
Consumed		6,193,417		[illegible]
Burned		26,000		[illegible]
On hand July 31 (end of season)		1,609,848		[illegible]
In consuming establishments	865,342		[illegible]	
In public storage & at compresses	514,006		1,936,[illegible]	
Elsewhere (partially estimated) 1/	230,000		510,[illegible]	
Aggregate distribution		15,827,990		[illegible]
Excess of distribution over supply 2/		189,746		[illegible]

Compiled from Bureau of the Census.
1/ Includes cotton for export on shipboard but not cleared; cotton coastwise; cotton in transit to ports, interior towns, and mills; cotton on farms, etc.
2/ Due principally to the inclusion in all distribution items of the "city crop" which consists of rebaled samples and pickings from cotton damaged by fire and weather.

GERMAN DEMAND FOR AMERICAN COTTON

The present situation in the German cotton spinning industry points to an increased demand for cotton in the immediate future, while the outlook for longer time demand is not particularly bright, although showing a gradual and steady improvement, according to a report received from G. C. Haas, Agricultural Commissioner at Berlin. The factors which are producing this immediately favorable demand outlook, i.e. low mill stocks of raw cotton, reported undersupply of cotton garments in consumers' hands and the improved employment situation in certain industries are of a temporary or seasonal nature and are not indicative of the rate of improvement to be expected over a longer period of time. Conditions which determine the rise in the long time demand trend are improving slowly, however, but will probably be at a low level for some months, states Mr. Haas.

The immediate demand for cotton will undoubtedly be influenced favorably by the recent low supply of stocks of cotton on hand in German mills, this supply being lower than at the end of any half year since July 31, 1924. Stocks on hand in German mills on July 31, 1926 are indicated in the following table:

COTTON: German mill stocks on July 31, 1926 as reported by mills representing 90 percent of German cotton spindles, with comparisons 1/
(In running bales)

Date	American	Indian	Egyptian	Sundries	Total
	Bales	Bales	Bales	Bales	Bales
July 31, 1926 - as reported 1/	88,950	23,227	6,008	1,813	119,998
Raised by 10 %	98,000	25,000	7,000	2,000	132,000
Jan. 31, 1926	142,000	30,000	9,000	4,000	185,000
July 31, 1925	124,000	51,000	11,000	6,000	192,000
Jan. 31, 1925	125,000	20,000	13,000	4,000	162,000
July 31, 1924	65,000	46,000	7,000	6,000	124,000
Jan. 31, 1924	67,000	23,000	6,000	4,000	100,000

1/ As reported by the German Cotton Spinners Association from returns received from mills representing 90 per cent of all German cotton spindles. Statistics of stocks for other dates are those reported by the International Federation of Master Cotton Spinners on the basis of an actual census received from approximately 90 per cent of all mills, estimates being added for the other 10 per cent.

Market reports of the Bremer Baumwollbörse indicate that cotton demand is fairly good for prompt and near delivery and very good for prompt sailing contracts of the new crop, and for sailing contracts not later than September 15. Little interest is shown for shipments later than September 15. These reports confirm the somewhat pessimistic trade outlook. Not much significance, however, should be attached to this buying situation, as the general expectation which prevails in the German trade that the crop this year will be large,

GERMAN DEMAND FOR AMERICAN COTTON, CONT'D

would produce a slow market even under an otherwise favorable situation. It is certain that a stronger demand will set in as soon as the crop outlook becomes more definite.

Conditions which affect the long time demand trend are improving slowly. Some business recovery in Germany is evident. The course of stocks prices has been upward since the end of last year. Prices of goods sensitive to business changes are increasing. Imports of raw material and semi-manufactured goods are increasing as well as the production of basic raw materials. Business failures have decreased since February and unemployment, although still high, is now decreasing slightly. Improvement of the German economic situation will be accelerated if the French, Belgian and Italian currencies are stabilized. Stabilization of currency in these countries would improve the German cotton situation directly and indirectly. The disappearance of inflation goods from the foreign markets would tend to improve the German export market and result in a general increase in employment, which would be followed by an increase in German purchasing power, improving the domestic demand for cotton goods. Stabilization of these currencies would also have a more direct influence in so far as the imports from the above mentioned countries would be reduced as well as competition in foreign markets of the cotton yarn and goods of French, Belgian and Italian origin.

The depression in the German cotton industry set in in November last year coincident with the general economic depression and the accompanying heavy decline in the Germany purchasing power. The situation was further aggravated by the heavy imports of foreign yarn and fabrics before October 1, 1925, the date of the new German tariff, which resulted in an over-supply on a weak market and greatly restricted the sale possibilities of the German mills. Some trade observers also attach considerable significance to the change in the style of women's dresses to a short narrow fashion, as well as the tendency to wear fewer and lighter clothes, as a factor reducing demand for cotton goods. The depressed state of the spinning industry during the last half year is reflected in the following table of consumption statistics:

COTTON: German mill consumption for the half year ended July 31, 1926 as reported by mills representing 90 per cent of German cotton spindles, with comparisons 1/
(In running bales)

Half year ended	American	Indian	Egyptian	Sundries	Total
	Bales	Bales	Bales	Bales	Bales
July 31, 1926 - as reported 1/	359,699	64,076	17,071	4,793	445,639
Raised by 10 %	396,000	70,000	19,000	5,000	490,000
July 31, 1926	479,000	132,000	24,000	12,000	647,000
July 31, 1925	496,000	108,000	31,000	8,000	643,000
Jan. 31, 1925	420,000	106,000	26,000	16,000	568,000
July 31, 1924	424,000	123,000	27,000	10,000	584,000
Jan. 31, 1924	272,000	85,000	19,000	1[illegible],000	38[illegible],000

1/ See footnote preceding table.

GERMAN DEMAND FOR AMERICAN COTTON, CONT'D

Imports of raw cotton the first half of 1926 were 35 per cent lower than for the same period in 1925, and the decrease of net imports of raw cotton for the first half of 1926 as compared with the first half of 1925 was about 52 per cent. This figure is a fair index of the decrease in the mill activity and the cotton yarn business, as mill activity on July 1, 1926 was 51 per cent as compared with about 90 to 100 per cent July 1, 1925. German cotton yarn production in July 1925 reached a level of a monthly production of about 53 to 55 million pounds as compared with 36 to 37 million pounds in July 1926. The low point was reached in May with a production of about 30 million pounds. The April and June cotton yarn production was 32 and 33 million pounds, respectively. Yarn stocks in the mills are said to be higher than usual.

Mill activity on August 1 was estimated to be 61 per cent as compared with 51 per cent on July 1, 1926. This indicates improvement, but the level is still about 30 to 40 per cent below last year.

Recent improvement in the situation of the spinning mills has not influenced the demand for American cotton to any significant extent, primarily because the increased production mainly concerned lower yarn numbers spun from Indian cotton and cotton waste. This, however, is a favorable development in that the situation is moving in an upward direction. The increase in mill activity of 20 per cent from July 1 to August 1 when compared with 13 per cent increase in the July yarn production over the June production is, according to the trade, an indication of the production of higher yarn numbers (less weight per yard) which require higher grade cotton. This points to an improvement in the last weeks in yarn production favoring good and middle grades American cotton.

The situation in the cotton weaving industry is also unsatisfactory, although an improvement, partly seasonal, is to be noticed during the last few weeks. The reasons given for the depression in the cotton industry apply also in particular to the weaving industry, which, in addition, has been hindered by an unfavorable fabric market resulting from the cold and wet weather prevailing during the summer. The supply of so-called summer wear was too large for the much reduced demand. Hopes are entertained that the recent improvement in business will increase consumer purchases. Consumer buying has been very small and the trade assumes that consumer stocks are short. In addition a normal seasonal improvement can be expected at this time of the year.

Cotton yarn and cloth prices, January 1 to July 1, 1926, decreased about 20 to 25 per cent, whereas the decrease in raw cotton prices was about 15 per cent, as shown by the tables on the following page. According to these figures, the price of clothing in Prussia decreased 4 per cent between February and July of this year, while the prices of cotton yarn and cloth decreased 20 to 25 per cent and raw cotton 15 per cent.

GERMAN DEMAND FOR AMERICAN COTTON, CONT'D

COTTON YARN AND FABRIC PRICES AT STUTTGART: U. S. Currency
Cents per pound (yarn); cents per yard (cloth)

	Jan.13	March 3	April 21	May 19	June 2	June 16	July 7	Aug.4
Cotton Yarn No. 20	37	33	32	31	31	30	29	29
" 30	44	40	39	38	37	36	35	35
" 36	45	41	40	39	39	37	36	36
" 42	47	43	41	40	40	39	38	38
2.88 ft. Cretonne	14.37	12.77	12.31	12.09	12.09	11.63	11.17	11.17
2.88 " Renforce	12.77	11.63	11.17	11.17	11.17	10.72	10.26	10.26
3.02 "	11.40	10.03	9.58	9.35	9.35	8.89	8.44	8.44

Source: Stuttgarter Industrie & Handels-Börse.

INDICES OF PRICES FOR CLOTHING IN PRUSSIA, 1926.
(Average 1913/14 = 100)

February	169.3
March	168.1
April	167.0
May	165.2
June	164.2
July	162.7

Source: Statistische Korrespondenz.

GERMAN TRADE IN RAW COTTON: January to June, 1923 - 1926
(In running bales)

Period	Imports		Exports		Net Imports	
January to June ..	1926	1925	1926	1925	1926	1925
	608,251	923,623	269,622	209,916	338,629	713,707
January to June ..	1924	1923	1924	1923	1924	1923
	712,713	494,837	116,054	186,264	596,659	308,573

Compiled from Monatliche Nachweise über den Auswärtigen Handel Deutschlands.

GERMAN DEMAND FOR AMERICAN COTTON, CONT'D

BREMEN TRADE IN RAW COTTON, 1926
(In running bales)

Kind	Imports			
	July 1926	July 1925	August 1, 1925 to July 31, 1926	August 1, 1924 to July 31, 1925
American	46,782	53,520	1,657,878	1,728,874
Indian	255	1,236	9,700	4,592
Sundries	22	130	1,995	3,672
Total	47,069	54,886	1,669,573	1,737,138

Kind	Exports			
	July 1926	July 1925	August 1, 1925 to July 31, 1926	August 1, 1924 to July 31, 1925
American	78,658	120,136	1,655,059	1,698,248
Indian	1,179	1,190	10,270	6,445
Sundries	123	683	2,575	3,586
Total	79,960	122,009	1,667,904	1,708,279

Compiled from Wochenbericht der Bremer Baumwoll Börse.

BREMEN COTTON STOCKS
(In running bales)

Kind	August 1, 1926	January 1, 1926	August 21, 1926	August 21 1925
American	136,909	367,746	85,566	67,820
Indian	110	722	447	736
Sundries	890	1,790	1,248	1,737
Total	137,909	370,258	87,261	70,293

Compiled from Wochenbericht der Bremer Baumwoll Börse.

VISIBLE SUPPLY OF RAW COTTON IN BREMEN
(In running bales)

	August 21, 1926	Week ago	Year ago
Stocks	86,000	102,000	68,000
Sailing for Bremen	63,000	55,000	45,000
On board	5,000	10,000	3,000
Total	153,000	167,000	116,000

Compiled from Wochenbericht der Bremer Baumwoll Börse.

DEMAND FOR AMERICAN COTTON IN CZECHOSLOVAKIA AND AUSTRIA

Restricted mill consumption of raw cotton continues in Czechoslovakia and Austria, reports Agricultural Commissioner Haas at Berlin. New orders have decreased and are now on a comparatively low level. Very small purchases of cotton for August sailing and later have been made to date, indicating that the mills' cotton contracts made some months ago for future delivery still cover the requirements for the immediate future; this fact also indicates that the spinners are pessimistic regarding both demand and price developments during the next few months. Indications of a prospective large cotton crop in the United States have further contributed to produce a cautious attitude on the part of spinners, in Mr. Haas' opinion. The uncertain price outlook, however, should not be regarded as the fundamental factor influencing the buying policy of the spinners for the next month.

A much more important factor influencing the purchase of American cotton in Czechoslovakia and Austria in the immediate future is the unfavorable demand outlook for cotton products. The demand outlook for cotton yarn continues unfavorable although conditions indicate some slight improvement. Fears prevailed for some time past that high minimum Czechoslovakian flour and grain duties would cause Hungary to retaliate by increasing the import duties on Czechoslovakian textiles, but a provisional most favored nation agreement has been arrived at recently between the two countries. This agreement will go into effect on September first and remain in force until a final treaty is agreed upon.

The Austrian textile business with Hungary will probably be favorably influenced by the Austrian Hungarian treaty which became effective August 15, 1926, the Hungarian import tariff on Austrian cotton yarn and fabrics having been reduced by the treaty. The treaty is expected to stimulate business, because Hungarian buyers have held back purchases in expectation of the new duty arrangement.

It seems probable that the present low level of textile business in Czechoslovakia and Austria will continue except for a temporary improvement which may take place in the immediate future. There seems to be little doubt that the cotton mill activity in both countries will be further reduced, as the present production level is based upon old contracts which exceed by far the volume of new orders received. The demand for cotton in these countries will, in all probability, with the exception of some slight temporary improvement, continue unfavorable for some time, unless some material and unexpected change in demand for cotton goods sets in. Some seasonal increase in demand for cotton for near sailing dates can be expected, but later business is uncertain. The price of finished goods is being reduced in these countries, but it is lagging behind reductions in raw cotton prices.

Reports of the Czechoslovakian spinners association show a much reduced mill activity and a further reduction in the volume of new orders received in May 1926; recent information received from reliable sources

DEMAND FOR AMERICAN COTTON IN CZECHOSLOVAKIA AND AUSTRIA, CONT'D.

indicates that restriction has continued. The mill activity in May was about 80 per cent; and the production about 72 per cent of a theoretical full production (which is somewhat above 100 per cent activity on the basis of one shift).

A few factors which may be mentioned as favorably influencing the Czechoslovakian demand situation are the recent reduction in the sales tax on cotton goods, and the hopes which are entertained for an increase in Russian business in the near future. The very high Rumanian import duty on textiles which became effective April 1, 1926, has been somewhat reduced and this is also looked upon as a somewhat favorable circumstance although the duties remain almost prohibitive.

Austrian cotton mill activity in May was estimated to be about 75 per cent, whereas in April mill activity was estimated to be about 82 per cent. According to reliable information further reductions have since taken place. Yarn production in May amounted to about 4,083,763 pounds and sales, 1,239,762 pounds, which gives a very unfavorable ratio of about 30 per cent. Similar figures for April 1926 were 4,290,000 pounds and 1,570,000 pounds, with a ratio of about 36 per cent. The amount of unfilled orders on May 31, 1926, was 7,556,232 pounds and on April 30, 1926, about 8,700,000 pounds. Yarn stocks on May 31, 1926, amounted to 3,792,646 pounds and on April 30, 1926, 3,818,206 pounds. The above figures are on the basis of reports from 92 per cent of all spindles.

It is of special importance to note the unfavorable ratio between production on old contracts, and sales. This indicates the trend of future production. It may be expected that further reduction in activity will be relatively greater in Austria than in Czechoslovakia, unless unforseen changes in the market possibilities occur.

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AFRICAN COTTON CONFERENCE

The inter-African cotton conference which met at Nairobi on August 17 included representatives of three nationalities and two self-governing South African communities, according to the "Manchester Guardian". No conference of this kind so fully representative of practically all African cotton-growing areas has ever before assembled. Representatives were present from the Union of South Africa, Southern Rhodesia, Portuguese East Africa, Italian Somaliland, Belgian Congo, the Empire Cotton Growing Corporation, etc.

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HEMP PRODUCTION IN ITALY

The 1926 hemp fibre production in Italy is unofficially estimated at 220 million pounds, according to a cablegram received by the United States Department of Agriculture from the International Institute of Agriculture. Previous estimates according to consular reports placed the production at about 231 million pounds. Last year production was officially estimated at 273 million pounds.

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HOPS

An increase of 6.6 per cent over last year is indicated in the 1926 total hops production in 5 European countries and the United States, according to reports received in the United States Department of Agriculture. Decreases from last year occur in the United States, Belgium, France and Poland, while Czechoslovakia and Yugoslavia report crops considerably above last year. Since neither Czechoslovakia nor Yugoslavia hops compete directly with American type the increases in these countries will not greatly affect the market for our crop. No estimates of Germany's hops production has been received but according to Barth and Son the crop prospects have improved and a production equal to or exceeding last year's crop of 10,646,000 pounds is expected. The bulk of Germany's hop crop is grown in South Germany in the provinces of Bavaria and Wurtemburg. Hops of a quality similar to that of Czechoslovakia is produced.

Unofficial reports indicate a hop yield in Kent, England about 2/3 of last year's average, estimated yield in one district is placed at 3/4 of the previous crop, according to a trade paper. Growers have been unofficially advised that in case the crop is found to be bigger than anticipated it might be to their advantage to pick the better quality of hops leaving second and third rate hops unpicked. Kent represents over 60 per cent of the total hop acreage of England. A trade report of August 30 states that hops in Belgium are rapidly developing owing to the forcing weather. There is a decided increase of red mould in many districts, and growers have started picking earlier than usual as a consequence.

Estimates of hop production in countries reporting to date are as follows, production in previous years is given for comparison.

Country	Average 1909-13	1924	1925	Preliminary	Per cent 1926 is of 1925
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Per cent
United States	53,654	27,670	28,573	26,984	94.4
Belgium	7,008	5,478	5,609	4,686	83.5
France	13,459	11,187	9,646	a/ 9,520	98.7
Czechoslovakia	22,997	21,967	15,466	a/20,944	135.4
Poland	5,897	3,243	3,383	a/ 3,024	89.4
Yugoslavia	2,718	4,818 a/	4,312 a/	6,272	145.5
Total above countries	105,733	74,363	66,989	71,430	106.6
Estimated world total b/ exclusive of Russia	175,917	140,275	120,798		

Official sources and International Institute of Agriculture unless otherwise stated.
a/ Barth and Son. b/ Exclusive of production in minor producing countries for which no statistics are available.

BERMUDA HAS RECORD CELERY CROP

Bermuda had the largest celery crop in its history during the 1925-26 season when the crop totaled 74,426 bushels, according to Consul Robertson Honey and Hamilton. The crop was 9 per cent larger than the former record yield of 1923-24 and 44 per cent larger than the small crop of 1924-25. Prices during the 1925-26 season were profitable, says the Consul.

New York City provides the principal market for the Bermuda celery crop. Shipments to New York usually begin in large volume during the first weeks of May. Bermuda celery at that time sold for $6.50 a crate of about two bushels on the New York docks. By the middle of May Bermuda celery brought $8 to $9 per crate and towards the end of the month $9.50 was realized in many instances.

The Consul states that the celery was a trifle coarse and stringy when packed in Bermuda but the storage for two days in the chill room of the steamer in transit to New York resulted in an improvement in the quality of the product by the time of its arrival. The success of the past season is attributed largely to the seed used. After many experiments the Bermuda Director of Agriculture decided upon a seed obtained from France, called Clause's Golden Self-Blanching. The seed may be planted in cool seasons of abundant rainfall, in comparatively high land, says the Consul.

SICILIAN LEMON SHIPMENTS

Exports of lemons from Palermo during the first six months of 1926 totaled 2,074,000 boxes, according to Consul Edward I. Nathan. Of that quantity 819,000 boxes were shipped to the United States, 620,000 boxes to the United Kingdom and 371,000 boxes to Germany.

GREEK TOBACCO CROP

The 1926 Greek tobacco crop is estimated at 96,453,000 pounds or 25 per cent below last year's crop of 129,245,000 pounds according to the International Institute of Agriculture at Rome. This figure falls considerably below the estimate anticipated in a report from Consul Arthur Garrels at Athens which stated that the 1926 crop would be 10 per cent below that of 1925, giving 144,323,000 pounds as the 1925 production.

TOBACCO PRODUCTION IN NYASALAND, 1925-26.

The results of the present tobacco season in Nysaland are said to be quite satisfactory according to a report from American Consul G. K. Donald at Johannesburg, South Africa. The acreage owned by whites is estimated for 1925-26 at 22,415 acres with a production of 8,288,000 pounds compared with 20,590 acres in 1924-25 and a production of 7,312,000 pounds. A large proportion of "Bright Leaf" is being produced this year and is also realizing a better price than a year ago. The 48 cent preference now granted by England to Empire tobacco tends to increase the confidence of growers in the permanence of the industry. The Imperial Tobacco Company has built an up-to-date factory at Limbe which is of especial value to the small planters as it enables them to dispose of their product in the country for cash avoiding the risk of shipping the crop for sale in England.

HOGS: Slaughtering in the United States, Germany and Denmark a/
First six months 1925 and 1926

Month	United States Inspected		Germany at 36 important points		Denmark in export slaughter houses	
	1925	1926	1925	1926	1925	1926
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
January	5,979	4,501	230	254	344	285
February	4,447	3,351	242	256	306	300
March	3,299	3,562	292	328	370	334
April	3,037	3,105	297	247	333	289
May	3,186	3,131	273	290	294	271
June	3,731	3,429	258	261	324	318
First six months	23,679	21,079	1,592	1,636	1,971	1,797

a/ The number of Irish pigs cured and exported alive for 33 weeks ending August 19 was 585,000 compared with 572,000 for the same period of 1925 and 789,000 for these weeks of 1924.

DENMARK: Slaughterings of hogs average 1911-14, years 1924 and 1925; first six months 1926

Month	Average 1911-1914	1924	1925	1926
	Number	Number	Number	Number
January	199,820	361,801	343,993	284,500
February	196,061	295,687	305,915	300,141
March	207,358	323,934	369,861	334,305
April	209,948	373,523	332,503	289,252
May	213,813	332,059	294,350	271,108
June	202,765	322,980	323,953	317,974
6 months, January to June	1,229,765	2,009,984	1,970,575	1,797,280
July	203,299	355,074	311,096	
August	198,241	312,327	258,469	
September	196,373	343,545	288,516	
October	240,320	341,741	311,741	
November	206,171	332,684	271,124	
December	228,854	328,683	354,608	
Year	2,503,023	4,024,038	3,766,129	

GERMANY: Slaughterings of livestock at 36 important slaughter points seven months 1925 and 1926

Classification	Seven months 1925	Seven months 1926
Cattle including young calves	438,000	436,000
Calves	755,000	747,000
Total cattle and calves	1,193,000	1,183,000
Sheep	555,000	526,000
Swine	1,831,000	1,881,000
Total	3,579,000	3,590,000

Deutscher Reichsanzeiger, August 14, 1926.

GRAINS: Exports from the United States, July 1-Sept. 4, 1925 and 1926
PORK: Exports from the United States, Jan.-Sept. 4, 1925 and 1926

Commodity	July 1-Sept. 4 1925	July 1-Sept. 4 1926 a/	Week ending Aug. 14 1926	Week ending Aug. 21 1926	Week ending Aug. 28 1926	Week ending Sept. 4 1926
GRAINS:	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Wheat b/	15,118	46,189	5,645	5,424	7,174	6,370
Wheat flour c/ d/....	8,488	6,228	606	564	569	1,260
Rye	4,893	2,721	--	--	--	636
Corn	1,604	2,178	202	218	218	198
Oats	11,332	1,252	22	53	93	236
Barley	8,709	3,689	231	147	443	706
PORK:	Jan. 1-Sept. 5 1925	Jan. 1-Sept. 4 1926 a/				
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Hams & shoulders, inc. Wiltshire sides.....	198,589	136,964	1,721	2,450	2,910	2,478
Bacon, including Cumberland sides....	140,775	117,447	2,750	3,165	4,046	4,267
Lard	483,476	483,078	9,824	9,611	10,680	12,207
Pickled pork	18,003	18,605	272	195	310	647

Compiled from official records of the Bureau of Foreign and Domestic Commerce.
a/ Revised to July 31, including exports from all ports.
b/ Including flour via Pacific ports this week.
c/ Includes flour milled in bond from Canadian wheat. d/ In terms of bushels of wheat.

BUTTER: Prices in London, Copenhagen and New York
(By weekly cable)

Market and item	September 2, 1926	September 9, 1926	September 11, 1925
New York, 92 score	43.50	43.00	47.00
Montreal No. 1, pasteurized	31.25		a/
Copenhagen, official quotation	35.17	35.65	44.78
Berlin, ia quality	36.09	36.09	a/
London: b/			
Danish	37.58	38.02	47.82
Dutch, unsalted	37.80	35.46	47.17
Irish	33.67	31.72	42.63
New Zealand	35.63	34.55	43.71
New Zealand, unsalted	-	34.77	43.49
Australian	35.20	34.11	41.98
Australian, unsalted	35.63	34.11	42.20
Argentine, unsalted	33.67	33.46	38.95 - 40.68
Siberian	29.55	29.33	37.22 - 38.52
Esthonian	34.33	33.46	a/

Quotations converted at exchange of the day. a/ Quotation not received.
b/ Quotations of following day.

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EUROPEAN LIVESTOCK AND MEAT MARKETS
(By weekly cable)

Market and item	Unit	Week ending Sept. 1, 1926	Sept. 8, 1926	Sept. 9, 1925
GERMANY:				
Receipts of hogs, 14 markets	Number	48,428	48,884	47,434
Prices of hogs, Berlin	$ per 100 lbs	17.32	17.82	19.77
Prices of lard, tcs. Hamburg	"	17.38	17.15	20.47
UNITED KINGDOM AND IRELAND:				
Hogs, certain markets, England	Number	7,934	9,848	12,821
Hogs, purchases, Ireland	"	20,268	20,422	21,942
Prices at Liverpool:				
American Wiltshires	$ per 100 lbs	-----	22.57	-----
Canadian "	"	25.20	24.08	-----
Danish "	"	28.68	27.10	-----

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